

DEPARTMENT OF THE NAVY
OFFICE OF THE CHIEF OF NAVAL OPERATIONS
WASHINGTON 25, D. C.

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MEMORANDUM OF INFORMATION

Subj: Berlin Situation (C)

AST (OPF MGMT)
AST FOR ADMIN

1. The Special USIB Subcommittee on the Berlin Situation, Special Report dated 17 October 1961, concludes that:

a. Khrushchev's formal withdrawal of a deadline for a German treaty and his favorable evaluation of Gromyko's talks with US and British leaders is probably calculated to overcome Western objections to negotiating under pressure, and ease the way for an early agreement to begin Four-Power talks. The framework for negotiations outlined by Gromyko in his conversations in the US appears to be a maximum position, from which the Soviets may concede certain points. Gromyko's conversations in the US and with Prime Minister Macmillan indicated that as far as the Soviets were concerned a Berlin settlement was not contingent on prior agreement to a NATO-Warsaw Pact non-aggression treaty or on an agreement to deny nuclear weapons to East and West Germany. Macmillan got the impression from Gromyko that the USSR would not insist on adding Soviet troops to Western garrisons in West Berlin and this idea has been reflected in comments by other bloc officials. Ulbricht's 6 October statement suggested as one possible formulation that East German association with a Berlin settlement could be in the form of a unilateral declaration rather than full participation in a Four-Power accord. He reiterated the concept that a separate bloc treaty would be open to West German accession. The Bloc may be considering a truncated version of a peace treaty, either excluding or reserving some military provisions. The possibility of an abbreviated treaty together with the renewed emphasis on European security and partial disarmament measures suggests that the bloc position on West German rearmament is not inflexible and Moscow may hope to achieve restrictions on German armaments in future East-West talks rather than in a peace treaty settlement. On two points-- the demand to change Berlin's status and obtain some form of recognition for East German frontiers--the Soviets have maintained a more rigid stand. Gromyko's proposal for a time limit on retention of Western forces in Berlin was also more severe than Moscow's previous proposals on Berlin.

b. There has been a series of clashes on the sector borders between East and West Berlin police, incidents involving allied patrols in East Berlin and interference with Western access to West Berlin. While these incidents appear more as isolated actions resulting from the existing situation rather than representing a plan of calculated provocation they are being used to establish a pattern of Western acquiescence to East German control.

c. Since our last report, the East German regime despite vigorous and ruthless measures has been unable to prevent manifestations of popular hostility and discontent. There have been a variety of minor anti-regime incidents. Although the top leadership of the East German regime still seems confident of its ability to control the situation, the lower echelon of party workers who are in daily contact with the population does not seem to be acting with the same confidence. While strikes and even serious local demonstrations remain possible, the regime backed by Soviet troops is prepared to and is capable of taking whatever actions are necessary to prevent them from developing into popular revolt. Refugee escapes to West Berlin and West Germany continue and from 1-10 October averaged 33 per day to West Berlin.

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d. Since 13 August there has been some increase in the number of West Berliners leaving for West Germany. This emigration will probably continue, but it is not likely to reach "panic" proportions unless the population considers the Western position is weakening. Over-all business conditions are generally good with no signs of a reduction in industrial orders. For the present, West Berlin businessmen are taking a "wait and see" attitude, but show increasing signs of nervousness and uncertainty about the long-range future.

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Director of Naval Intelligence

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